

VOLUNTEER REPORT FORMAT

To be submitted to CRS at the end of volunteer assignment and shared with the Host

1.1 Assignment information

- a) Volunteer Name: **James LaFleur**
- b) State of Origin: California
- c) Host Organization: Kiboga District Farmers' Association (KDFA)
- d) Assignment: Agricultural marketing with an emphasis on: "Market Analysis/Study and Market Plan development for Uganda Maize Analysis & Strategy"
- e) Dates of Assignment: March 24th – April 16th, 2017
- f) Number of days worked: 24 days

1.2.1 Objective 1 in your SOW: The main objective of this assignment was to conduct a market analysis with KDFA farmer groups participating in bulking activities to determine the attractiveness of a market and to understand its evolving opportunities and threats as they relate to the strengths and weaknesses of the centers.

- a) Progress with the objective: The overall objective was broken down into two clearer objectives which directly feed into the overall objective and the volunteer tackled the assignment by i) conducting a market study and analysis for maize with five KDFA Farmer Groups and their "Bulking Centers" in order to identify markets opportunities -identifying new potential markets and improve on existing ones, challenges, and constraints; and ii) developing a marketing plan/strategies that KDFA, the Farmers' Groups, and the farmers themselves can use to best achieve their overall goal of increasing their members' and their associations' income. The two specific objectives were achieved through conducting several surveys and meetings with relevant value chain actors/stakeholders that directly support KDFA and its members, these included- meeting with the commercial officer from Kiboga District Local government, current buyers – including traders, millers with in Kiboga district, commercial banks (Centenary and Stanbic) as potential credit financiers, and held one day trainings with the farmers from six bulking centers(BCs), followed by an analysis of the BC activities- their productivity, profitability and potential for growth. After a detailed market analysis and stakeholder meetings, with several document references, the volunteer developed a detailed marketing plan with a concept note considering building on the current success of the existing BCs, improve the weak areas of operation to improve bulking and marketing activities. See attached Annex: Marketing study and Marketing plan developed.
- b) Expected impacts/results: The BCs have been a successful business venture that benefits their farmer members with higher maize prices, increased incomes, and low operational costs. with project funding, KDFA initially set up 5 BCs with the 6th formed out of farmers 'own initiative. If KDFA can acquire additional funding, this concept can be widened to cover the 259 farmer groups within KDFA area of operation. Potential markets are still existent with in Kiboga district that can be exploited with the setup of an information management system

Recommendations¹:

Workshop recommendations

The following are the specific suggestions and recommendations developed by the volunteer and agreed upon at the workshop with KDFA directors and staff: See marketing plan for details., but they are summarized here as short term, medium term and long term recommendations:

Short-term recommendations: refer to details in the marketing plan

1. Develop a Maize Market Information System (MMIS):
 - Develop a complete list of buyers and their contact information, the BC committees will contact many or all the buyers before selling to combat collusion of prices
 - Exchange price information and sales with other BCs- this will be enhanced through frequent communication among BC committees/leaders
 - Close deals with buyers before delivery- on the phone with a written SMS phone message
 - Provide training to FG leaders and BC staff on selling strategies
 - Investigate the possibility of selling the BC maize collectively to a principle buyer

Medium term recommendations

2. Analyzing and disseminating information on transaction costs including;
 - Transportation costs, Taxes and feed, costs of maize grading and quality tests, storage costs and fees, packaging costs, export costs including tariffs and fees, Land rental costs and other costs
 - Maize transportation costs: study per mille transportation of maize from farms to BCs, and study different transportation strategies for farmers.

Long term recommendations:

3. Develop new and bigger markets with a focus on International markets such as World Food Program
 - Promote maize that meets international standards and quality for the international market- develop International Standard Manual (ISM), provide trainings for farmers on these standards and post-harvest procedures and input (fumigation) requirements
 - Develop a program to upgrade the BC's physical and storage conditions to meet international standard requirements
 - Upgrading existing BCs and promotion of new ones for wider farmer coverage
4. Potential investment in value added maize products as an added service offered to farmers at BC level

¹ **Note:** Only make not more than 6 recommendations. The most useful recommendations for hosts are ones that they can implement themselves with minimal expense. For example, a cooperative might change its financial reporting procedures or hold more regular meetings of its board. Broad recommendations on tax or credit reform, changes in government policy, or investment in large-scale equipment, are usually not within the host organization's reach.

- Study a cost/benefit analysis for provision of value added maize flour services to farmers (Maize flour, maize meal, animal feed and others) or for commercial purposes
- Study the viability of rental storage services for farmers/small traders that want to sell independently

1.3 Recommended future volunteer assignment:

CRS should support KDFA in identifying possible funding activities to implement this marketing plan

1.4 Action Plan

| Recommendation | Specific Action | Responsible person | By when |
|--|--|--|--|
| 1. Develop a Maize Market Information System (MMIS) | Develop a list of buyers, their contacts, pricing, quality requirements | KDFA – coordinator and extension staff | Immediately |
| 2. Analysing and dissemination information on transaction costs | Such costs can include: Transportation, grading and tests, storage. Set up an association of BC committees to facilitate communication and cross-learning among the BCs | KDFA – coordinator and extension staff | Once the information system has been developed. Can be done concurrently with 1. |
| 3. Develop new and bigger markets with a focus on international markets | Learn international market standards and requirements, storage, grading, quality Upgrade new and existing BCs to match international standard requirements, conduct regular trainings for BC committees | KDFA staff and BC committees | Once funding to implement the concept is available |
| 4. Investigate the potential to invest in value added maize services as an added service for farmers | Conduct a cost/benefit analysis for operating such a service either as maize meal, animal feeds etc either for | KDFA staff and BC committees | With availability of funding |

| | | | |
|--|---------------------------------|--|--|
| | farmers, or commercial purposes | | |
|--|---------------------------------|--|--|

1.5 Number of people Assisted

- a) Through formal training (Classroom setup):
- b) Through direct hands on practical assistance (Do not double count): 106
- c) Out of these above, number of host staffs
- d) Training/assistance by field

| Category | Total | Males | Females |
|--------------------|-------|-------|---------|
| Members/ owners | 103 | 38 | 65 |
| Employees | 3 | 3 | 0 |
| Clients/ Suppliers | 8 | 8 | 0 |
| Family Members | | | |
| Total | 114 | 49 | 65 |

1.6 Gender

- a) What gender roles did you recognize in your host community? Did these roles play a part in your assignment? How?

One of the bulking centres was run by women farmer groups- it was not very active and committed to bulking activities compared to those run by the men

- b) How might CRS or the host organization improve opportunities for the women in this host or host community? Encourage women participation in marketing activities

1.6 Value of volunteer contribution in \$ 10,340

- a. Hours volunteer spent preparing for assignment: 22days
- b. Estimated value of all material contributions volunteer contributed to host during assignment: None

1.7 Value of hosts' contribution in \$ 602.15

- a) Meals: \$ 0
 - b) Transportation for participants: \$ 254.00
 - c) Lodging: \$ 0
 - d) Translation: \$ 167.11
 - e) Other (Specify): Farmer mobilization: \$ 13.93, Training venue: \$ 167.11
- 1USD = Ushs 3,590.42

1.8 Host Profile Data:

Did you obtain any data that supplements or corrects the data in the existing host information as detailed in the SOW? Please list it.

KDFA routinely meets with the FGs to discuss issues that the farmers face. At one of these meetings, presided over by Katende Tebuseeke Tom, the KDFA project coordinator, the farmers complained that the prices for their maize were very low just after the harvest when there was a huge supply of maize on



the market. The prices increased as the farmers sold their maize and the supply decreased. The farmers themselves came up with the idea of storing maize after the harvest season in order to get better prices. Because of these concerns and ideas Tom decided to develop a Bulking Centers (BCs) project to address the issue under the Income Enhancement project.

The Income Enhancement project began in October 2014, with the support of the Agri-business Initiative Trust (aBi Trust). The process to create BCs in five areas included meetings with the selected FGs and the creation of a baseline survey. There were trainings in several areas including bulking/storing, a market study and survey, market information support systems, and a marketing plan.

The KDFA extension staff, including Sekyaya Allan, Kamoga Jimmy, and Mukomazzi Denis, worked with the FGs to select the five areas for the bulking centers: Mulagi, Muwanga, Bulyankuyege, Kyomya, and Sogolero. In these five areas, the FGs and the KDFA extension staff selected small storage warehouses with the capacity of approximately seven to ten tons. The project paid the rent for the first year (two maize seasons), as well as providing weighing scales, moisture meters, and pallets for each BC. The FGs took over the rent and all costs of their respective BCs after the first year.

The decision to develop a program of **Collective** storing as opposed to individual farmers storing their own maize was critical to the success of the program. This had a significant impact on the economic achievements of the project. Farmers selling their maize individually had little bargaining power and in many cases had a limited choice of buyers and prices, regardless of whether or not they stored their maize. Selling collectively allowed the FGs to have a stronger marketing position with the buyers and to command higher prices due to lower transactions costs. There is now the opportunity to sell all the maize held in the BCs as a group, which could increase their marketing position even more.

The BCs have been a successful business venture that benefits their farmer members with higher maize prices, increased incomes, and low operational costs. The six BCs (a sixth BC - Nsala was started on its own initiative) had an average price increase from Ugx 720 per kilogram at the time of harvest to Ugx 1,233 per kilogram after three months of storage, a 71% increase in the price. This translated to a revenue gain for the farmers of Ugx 23.1 million from the storage of 45 tons of maize for the three months from the last harvest.

The project selected between three and seven FGs to be part of each BC with an estimated 150 farmers on average, of which approximately 50% farm maize. In reality, only about 18 maize farmers deliver maize to each BC due to the distance and cost of transportation. In interviews with the farmers, they are not willing to pay more than Ugx 5,000 per 100-kilogram bag of maize or Ugx 50 per kilogram of maize. This means that in general only farms within a five miles radius will pay to have their maize delivered to the BCs, or about 18 maize farmers.

One of the FGs (Mulagi) developed a solution to increase the number of farmers delivering to its BC. They rented a truck at a fixed price per day to collect maize for their famers. They charged a fixed price of Ugx 2,000 per bag regardless of the distance. This system of sharing the cost equally allowed the BC to increase its stocking from eight tons to 20 tons.



Using this idea of sharing transport costs equally could result in the six BCs increasing their maize storage potential from the present projection of 90 tons a year to up to 180 tons of stored maize per year. Increased income gains could reach Ugx 84.4 million from the two seasons per year.

The lessons learned from the BC experience include:

1. Farmers know what are their principle issues are (low prices for maize after the harvests) and have good ideas on how to solve them (collective storing of maize for three months). It is important to listen to the client, i.e. the farmers, as they know better than anyone what they are dealing with.
2. Farmers have come up with good solutions that should be recorded and disseminated to other farmers with similar problems (cost sharing for maize transportation from the farm to the BC). It is important to learn from individual farmers or farmer groups.

The bulking centers and the farmer groups need to improve their operations, particularly in the areas of marketing and storage of maize. This includes developing a systematic market information system, an improved marketing strategy including collective marketing, improved physical storing conditions, collective transportation of maize for their members, the development of a BC association for better communication with KDFA and between the FGs and BCs, and stronger lobbying for important issues, such as the quality of inputs, land rents, and others.

1.9 Recommendations for CRS:

Develop generic business cards for F2F volunteers to share with contacts and hosts in the field- these can be custom made such that volunteers can write their names and email address, however, it should include contacts for in country F2F staff for future contacting and reference.

1.10 Press Release: the volunteer did not provide this information.